

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Library, SLO City-County	(2) MEETING DATE 6/18/2013	(3) CONTACT/PHONE Brian A. Reynolds, Library Director 781-5785	
(4) SUBJECT Request to approve a second amendment to the Memorandum of Understanding between the County and the Atascadero Friends of the Library to extend the final deadline to donate the balance of their half of the estimated project cost for the purchase and tenant improvements at 6555 Capistrano Ave in Atascadero, from June 29, 2013 to December 30, 2013. District 5.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chair to sign the attached second amendment to the Memorandum of Understanding (MOU).			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>December 4, 2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Geoff O'Quest, Administrative Analyst			
(18) SUPERVISOR DISTRICT(S) District 5 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Library, SLO City-County / Brian A. Reynolds, Library Director  
781-5785

DATE: 6/18/2013

SUBJECT: Request to approve a second amendment to the Memorandum of Understanding between the County and the Atascadero Friends of the Library to extend the final deadline to donate the balance of their half of the estimated project cost for the purchase and tenant improvements at 6555 Capistrano Ave in Atascadero, from June 29, 2013 to December 30, 2013. District 5.

## **RECOMMENDATION**

It is recommended that the Board approve and direct the Chair to sign the attached second amendment to the Memorandum of Understanding (MOU).

## **DISCUSSION**

On November 9, 2010 the Board of Supervisors approved a Memorandum of Understanding (MOU) between the County of San Luis Obispo and the Atascadero Friends of the Library to purchase property at 6555 Capistrano Avenue in Atascadero to create a new larger Library. The project is being undertaken jointly with a project to create a North County Services Center on the second floor of the building.

Under the existing MOU, the County and the Atascadero Friends of the Library will split the net project cost equally. The MOU states that the Friends are required to raise their half of the estimated net project cost, identified as \$2,060,000, no later than 24 months after the close of escrow on the Capistrano property (December 29, 2012), unless there is a mutual agreement to extend the timeframe. On December 4, 2012, your Board approved the first amendment to the existing MOU, which extended this timeframe by six months, to June 30, 2013.

On February 14, 2013, the Friends of the Atascadero Library donated \$1.2 million toward their half of the estimated project cost of approximately \$2 million. When combined with previous donations this brought the Friends' total donations to approximately \$1.85 million. The remaining balance of approximately \$200,000 will be donated when needed to cover the Friends' half of the estimated cost for furniture, fixtures and equipment in the new library.

Since February, the project has been delayed due to the need to rebid the construction contract. A second amendment to the existing MOU therefore is being requested to extend the timeline for the Friends final donation of funds an additional 6 months, to December 30, 2013. As previously agreed with the Friends, the final \$200,000 of funding will be donated when needed for the purchase of furniture, fixtures and equipment, likely sometime this fall.

No other changes are made to the MOU and all other terms and conditions remain in effect.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The County Library, County Administrative Office and The Friends of the Library have agreed to the time extension. County Counsel has approved the amendment to the MOU as to form and legal effect. The Atascadero Friends of the Library have approved and signed the time extension amendment.

## **FINANCIAL CONSIDERATIONS**

The total estimated project cost for the Atascadero Library Expansion Project is \$8.4 million, including the purchase of the property and all tenant improvements necessary to convert the existing building and grounds to a new Library and a North County Services Center. The North County Service Center will occupy 32% of the building space and the Library will occupy 68% of the building. The total project cost will be divided 32/68, between the library and the Service Center. The estimated total project cost for the Library portion is \$5.7 million.

The current library site and adjacent properties will be sold after the new library is completed. The proceeds of the sale will be applied to the total project cost for the new library (not including the Service Center). Based on an April 2010 appraisal, the current library property is valued at approximately \$1.6 million. After applying the appraised value of the current library, the estimated net project cost for the library is approximately \$4.1 million. Under the existing MOU, the County and the Friends of the Atascadero Library are to fund equal shares of the estimated net project cost for the library, which is \$2,060,000 each.

**Table 1. Total Costs and Funding**

<b><u>COSTS:</u></b>				
<b>Estimated Building Cost:</b>	<b>\$3,415,000</b>			
Services Center share of building/property	32%	\$1,092,800		
Library share of building/property	68%	<u>\$2,322,200</u>		Split 50/50, County/Friends
<b>Estimated Architectural/Tenant Improvements:</b>	<b>\$4,996,500</b>			
Services Center share of arch/improvements	32%	\$1,598,880		
Library share of arch/ improvements	68%	<u>\$3,397,620</u>		Split 50/50, County/Friends
<b>Total Estimated Project Cost:</b>	<b><u>\$8,411,500</u></b>			
<b><u>FUNDING:</u></b>				
<b>Total Funding Needed:</b>	<b>\$8,411,500</b>			
Services Center share of funding	32%	(\$2,691,680)		
County Library portion of funding	68%	\$5,719,820		
Proceeds from sale of existing library		<u>(\$1,599,820)</u>		
<b>Total Estimated Net Project Cost for the Library:</b>		<b>\$4,120,000</b>		Split 50/50, County/Friends

**Table 2. Shares of Total Estimated Net Project Cost for the Library**

County Library share of balance	50%	\$2,060,000
Friends Library share of balance	50%	<u>\$2,060,000</u>
		<b>\$4,120,000</b>

## **RESULTS**

Approval of the first amendment to the MOU agreement will allow the project to move forward and extends the time frame for the Friends of the Atascadero Library fundraising from 30 months to 36 months. All other terms and conditions of the MOU remain in effect.

## **ATTACHMENTS**

1. Attachment 1 - Second Amendment to MOU with Friends of the Atascadero Library